

RETAIL ESTATES

Naamloze vennootschap (public limited liability company under Belgian law)

Public regulated real estate company under Belgian law (BE-REIT)

Registered office: Industrielaan 6, 1740 Ternat

Company number: 0434.797.847 (Register of Legal Entities of Brussels)

("Retail Estates" or the "Company")

Memorandum of Information of 29 May 2019 regarding the optional interim dividend of Retail Estates

Option period from 5 June 2019 (9am CET) through 20 June 2019 (3pm CET)

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At its meeting of 29 May 2019, the Board of Directors of Retail Estates (the "**Board**") decided to pay, in the form of an optional dividend, a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to € 4.25 (€ 2.975 net, i.e. the net dividend per share after deduction of withholding tax at the rate of 30%¹) per share participating in the profits of financial year 2018/2019.

The total amount of the interim dividend will be in line with the amount Real Estates is required to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate investment companies; consequently, the Board will advise against an additional dividend for financial year 2018-2019 at the annual general meeting of 22 July 2019.

In the context of its decision to pay an interim dividend to the shareholders, the Board offers the shareholders the possibility to contribute their claims arising from the distribution of the interim dividend to the capital of the Company in return for the issue of new shares (in addition to the option to receive the interim dividend in cash and the possibility to opt for a combination of the two preceding options).

This "**Memorandum of Information**" is intended for the shareholders of Retail Estates and provides information about the number and the nature of the new shares and the reasons for and modalities of this optional interim dividend. It has been drawn up in application of Article 18 §1, (e) and §2, (e) of the Prospectus Act of 16 June 2006.

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¹ Please refer to the notes on the fiscal treatment of the optional interim dividend under Title II, item 11, for a more detailed explanation of the withholding tax.

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No government has expressed its position regarding this Memorandum of Information. No government has assessed the timeliness and quality of this transaction or the situation of the persons implementing it.

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I. OVERVIEW OF THE MAIN CHARACTERISTICS OF THE OPTIONAL INTERIM DIVIDEND

1. OPTIONS FOR THE SHAREHOLDER

In the context of the optional interim dividend, the entitled shareholder can choose between:

- contribution of its net dividend claim to the capital of the Company in exchange for new Retail Estates shares;
- payment of the interim dividend in cash; or
- a combination of the two previous options.

2. ISSUE PRICE AND RATIO

The issue price per new share amounts to €68.425.

To obtain one new share, the net dividend rights linked to 23 number 27 coupons must be contributed.

3. OPTION PERIOD

- Start of the option period: 5 June 2019 at 9am CET
- End of the option period: 20 June 2019 at 3pm CET

Shareholders who do not express a choice during the option period in the appropriate manner shall in any event receive the interim dividend in cash.

4. NUMBER OF NEW SHARES TO BE ISSUED

A maximum of 496,634 new shares will be issued.

5. AMOUNT OF THE CAPITAL INCREASE

The total maximum capital increase amounts to €11,174,458.49. The total maximum issue price of the new shares to be issued amounts to €33,982,181.45.

6. WHO CAN SUBSCRIBE?

Any shareholder² holding a sufficient quantity of No. 27 coupons linked to shares of the same form. Shareholders who do not hold the necessary number of net dividend rights, represented by No. 27 coupons, linked to shares of the same form in order to subscribe to at least one share will receive their

²i.e. any shareholder holding shares participating in the results of financial year 2018/2019. The possibility to subscribe to the optional interim dividend does not apply to the 68,000 shares issued on 1 April 2019 within the scope of a contribution in kind of a receivable (admitted to trading on Euronext Brussels and Euronext Amsterdam on or around 29 July 2019, which is after the detachment of coupon No. 27) as these shares only participate in the profits of the financial year that started on 1 April 2019 (and therefore do not participate in the profits of financial year 2018/2019).

dividend rights in cash. It is not possible to acquire additional No. 27 coupons, and it will be impossible to acquire any more shares with coupon No. 27 attached as from 31 May 2019 (i.e. the 'ex date', which refers to the date when coupon No. 27 is detached). Consequently, the No. 27 coupon will not be admitted to trading on the stock exchange either. The contribution of dividend rights cannot be supplemented by a contribution in cash. Coupons linked to shares in different forms cannot be combined³.

7. HOW TO SUBSCRIBE?

Shareholders who wish to contribute their dividend rights (in whole or in part) to the capital of the Company in exchange for new shares must contact the following during the option period:

- the Company, as far as the registered shares are concerned;
- the financial institution where they hold their shares through a securities account, as far as the dematerialised shares are concerned.

8. CAPITAL INCREASE AND PAYOUT

The implementation of the capital increase and the issue of the new shares will take place on 24 June 2019. Interim dividends will also be paid in cash as from this date.

No. 27 coupons linked to shares of the same form which have not been contributed with a view to participation in the capital increase in the prescribed manner by 20 June 2019 at 3pm (CET) will no longer carry rights to new shares after this date.

9. STOCK EXCHANGE LISTING

The Company will submit a request to Euronext Brussels and Euronext Amsterdam for the additional admission to trading of the new shares issued further to the capital increase within the context of the optional interim dividend and intends for the new shares, which will participate in the profits as from financial year 2019-2020, to be traded on Euronext Brussels and Euronext Amsterdam as from the date of issue (24 June 2019).

10. PROFIT PARTICIPATION

The new shares issued within the context of the capital increase will participate in the profits as from 1 April 2019.

³ Shareholders who want to combine the dividend rights linked to shares of different forms can nevertheless submit a written request to convert registered shares into dematerialised shares (or vice versa) at their own expense. Such a request needs to be made prior to 31 May 2019 (i.e. the 'ex date', which refers to the date when coupon No. 27 is detached).

II. FURTHER INFORMATION

1. INTRODUCTION

On 29 May 2019, the Board, authorised to pay out interim dividends pursuant to article 31 of the articles of association of Retail Estates, decided to award a gross interim dividend for financial year 2018/2019 (which started on 1 April 2018 and ended on 31 March 2019) amounting to € 4.25 (€ 2.975 net after deduction of withholding tax at the rate of 30%⁴) per share participating in the profits of financial year 2018/2019 and to make this dividend payable as from 24 June 2019.

In this context, the Board, by way of optional (interim) dividend, offers the entitled shareholders⁵ the possibility to contribute their claims arising from the distribution of the interim dividend to the capital of the Company in return for the issue of new shares (in addition to the option to receive the interim dividend in cash and the possibility to opt for a combination of the two preceding options).

The total amount of the interim dividend is in line with the amount Real Estates is required to pay to its shareholders in its capacity of a public BE-REIT pursuant to article 13 of the Royal Decree of 13 July 2014 relating to regulated real estate companies; consequently, the Board will advise against an additional dividend for financial year 2018-2019 at the annual general meeting of 22 July 2019.

Within the framework of the authorised capital, the Board will increase the share capital through a contribution in kind of the net dividend claims held by the shareholders who have opted to receive new shares in exchange for the (full or partial) contribution of their net dividend rights. The specific terms and conditions for this transaction are described in more detail below.

2. OFFER

In the context of the interim dividend for financial year 2018/2019, the Company is offering the entitled shareholders the following choices:

- contribution of their net dividend claim to the capital of the Company in exchange for new Retail Estates shares; or
- payment of the interim dividend in cash; or
- a combination of the two previous options.

⁴Please refer to the notes on the fiscal treatment of the optional interim dividend under Title II, item 11, for a more detailed explanation of the withholding tax.

⁵ The possibility to subscribe to the optional interim dividend does not apply to the 68,000 shares issued on 1 April 2019 within the scope of a non-monetary contribution of a receivable (admitted to trading on Euronext Brussels and Euronext Amsterdam on or around 29 July 2019, which is after the detachment of coupon No. 27) as these shares only participate in the profits of the financial year that started on 1 April 2019 (and therefore do not participate in the profits of financial year 2018/2019).

3. DESCRIPTION OF THE TRANSACTION

Shareholders who wish to opt for the (whole or partial) contribution of their net dividend rights to the capital of the Company in exchange for new shares can subscribe to the capital increase during a set option period (see below).

The net dividend claim that is linked to a specific number of coupons linked to existing shares of the same form will entitle shareholders to one new share at an issue price per share that is described further down in this Memorandum of Information.

The coupon granting entitlement to the optional interim dividend is coupon No. 27.

Only shareholders holding a sufficient quantity of No. 27 coupons linked to shares of the same form may subscribe to the capital increase. Shareholders who do not hold the necessary number of net dividend rights, represented by No. 27 coupons, linked to shares of the same form in order to subscribe to at least one share will receive their dividend rights in cash.

It is not possible to acquire additional No. 27 coupons, and it will be impossible to acquire any more shares with coupon No. 27 attached as from 31 May 2019 (i.e. the 'ex date', which refers to the date when coupon No. 27 is detached). Consequently, the No. 27 coupon will not be admitted to trading on the stock exchange either.

It is also not possible to supplement the contribution of net dividend rights with a contribution in cash. If a shareholder does not possess the required quantity of No. 27 coupons linked to shares of the same form in order to subscribe to a whole number of new shares, that shareholder does not have the option of supplementing its contribution in kind by means of a cash contribution in order to be able to subscribe to the next whole number of new shares of the same form. The remaining balance will be paid out in cash in such a situation.

If a shareholder holds shares of different forms (e.g. a number of registered shares and a number of shares in dematerialised form), the net dividend claims, represented by No. 27 coupons, linked to these various forms of shares may not be combined to acquire a new share.

Shareholders who want to combine the net dividend rights, represented by No. 27 coupons, linked to shares of different forms can nevertheless submit a written request to convert registered shares into dematerialised shares (or vice versa) at their own expense. Such a request needs to be made prior to 31 May 2019 (i.e. the 'ex date', which refers to the date when coupon No. 27 is detached).

4. THE ISSUE PRICE

The issue price of the new shares to be issued amounts to €68.425.

This issue price was calculated in a conventional manner, taking into account the issue price used in recent transactions and the fact that the new shares will be entitled to dividend as from 1 April 2019.

The issue price is 17.66% lower than the closing price of the Retail Estates share on 29 May 2019, which amounted to €83.10.

Insofar as required, the Board finds that the conventionally agreed issue price of €68.425 is not lower than the lowest value of (i) the net value per share (IFRS) as per 31 March 2019, namely €61.98 per share (i.e. not more than four months before the date of the meeting of the Board in which the capital increase was approved, which took place on 29 May 2019) on the one hand; and (ii) the average closing price over a period of 30 calendar days prior to 29 May 2019 (i.e. the date of the meeting of the Board in which the capital increase was approved), namely €83.92, on the other. This ensures compliance with article 26 §2, 2° of the Belgian Act of 12 May 2014 on regulated real estate companies (the "**REITs Act**").

The shareholder who does not wish to proceed to a (total or partial) contribution of their net dividend rights in exchange for new shares will undergo a dilution of financial rights (including dividend rights and participation in the liquidation balance) and membership rights (including voting rights and preferential subscription rights) connected to its existing participation.

Based on the assumption that 496,634 new shares would be issued (i.e. the total number of new shares that would be issued if all net dividend claims were contributed to the capital⁶), the intrinsic value per share would increase from €61.98 (rounded off) on 31 March 2019 to €62.24 (rounded off).⁷

The impact of the issue of the new shares on the participation in the capital of an existing shareholder who held 1% of the capital of the Company prior to the issue and does not contribute its net dividend rights to the capital of the Company is discussed below.

The calculation is based on the number of existing shares and an estimated 496,634 new shares taking into account the maximum amount of the capital increase (€33,982,181.45) and the issue price per share (€68.425).

	Participation in the shareholding
Prior to the issue of the new shares	1.00%
After the issue of the new shares	0,96%

Shareholders who do not contribute their net dividend rights to the capital of the Company are also exposed to a risk of financial dilution of their participation. This risk results from the fact that the new shares are issued at an issue price that is lower than the current stock market price.

⁶ The net dividend rights linked to the 11,422,593.00 existing shares that entitle the holder to participate in the profits of financial year 2018/2019 (i.e. 11,490,593 existing shares minus the 68,000 shares which were issued on 1 April 2019 and do not entitle the holder to participate in the profits of financial year 2018/2019 - cf footnote 5).

⁷ This hypothetical calculation does not take into account the 68,000 shares issued after 31 March 2019, i.e. on 1 April 2019 (cf footnote 5).

5. THE OPTION PERIOD

The option period, during which shareholders may subscribe to the capital increase, starts on 5 June 2019 at 9am (CET) and ends on 20 June 2019 at 3pm (CET).

Shareholders who do not express a choice during the option period in the appropriate manner shall in any event receive the interim dividend in cash.

6. CAPITAL INCREASE AND INTERIM DIVIDEND PAYMENT

The implementation of the capital increase and the issue of the new shares will take place on 24 June 2019.

Taking into account the aforementioned issue price, it will be possible to subscribe to any new share to be issued, and this new share will be paid up in full by means of a contribution of net dividend rights linked to 23 existing shares of the same form (represented by coupon No. 27). This means that the shareholder will receive one new share per contribution of net dividend rights linked to 23 shares.

For shareholders who benefit from reduced withholding tax or are exempt from withholding tax, just as for those shareholders who do not benefit from such a reduction or exemption, the contribution of the net dividend claim will amount to €2.975⁸ per share (more exactly: a shareholder shall receive one new share for each contribution of net dividend rights linked to 23 existing shares of the same form (represented by coupon No. 27), and the balance resulting from the reduction in or exemption from withholding tax will also be paid in cash as from 24 June 2019. Shareholders in such a situation must submit the customary certificate to Retail Estates before the end of the option period (i.e. 20 June 2019 at 3pm CET).

The total capital increase amounts to a maximum of € 11,174,458.49 within the scope of the issue of maximum 496,634 new shares (provided that every shareholder⁹ holds an exact number of No. 27 coupons linked to shares of the same form which entitles them to a whole number of new shares and decides to contribute the relevant net dividend claims to the capital of the Company). The total maximum issue price of the new shares to be issued amounts to € 33,982,181.45.

The total capital increase will equal the number of new shares to be issued multiplied by the (exact) fractional value of the existing Retail Estates shares (i.e. approx. € 22.50 per share), rounding up the result of the calculation. All (new and currently existing) shares of the Company will then be awarded the same fractional value. The difference between the fractional value shall be allocated to a non-distributable “issue premium” reserve which shall serve, like the capital, as a guarantee to third parties, and which can only be reduced or abolished pursuant to a decision of the shareholders’ meeting, deliberating in accordance with the conditions set forth in Article 612 of the Belgian Companies Code, without prejudice to its incorporation into the Company’s capital.

⁸Please refer to the discussion of the fiscal treatment of the optional interim dividend under this Title II, item 11, for a more detailed explanation of the withholding tax.

⁹ I.e. every shareholder holding shares participating in the profits of financial year 2018/2019; in other words, all shares except those issued on 1 April 2019 (see above, footnote 5).

As the entitled shareholders can choose freely between: (i) payment of the interim dividend in cash; (ii) contribution of net dividend claim in exchange for shares; or (iii) a combination of the two previous options, it is impossible to predict how many new shares will be created exactly.

The capital will only be increased with the amount of the (capital value of the) actual subscriptions received. If the issue is not fully subscribed, the Company reserves the right to increase the capital with the amount of the (capital value of the) subscriptions received.

The allocated new shares will have the same form as the existing shares currently held. Shareholders may submit a written request to have registered shares converted into dematerialised shares, or vice versa, at their own expense at any time after the issue.

As from 24 June 2019, a cash interim dividend will furthermore be paid to shareholders who: (i) have opted to contribute their net dividend rights in exchange for new shares but did not achieve the next whole number of shares, in which case the remaining balance will be paid in cash; (ii) have chosen to receive their dividend in cash; (iii) have opted for a combination of the previous two options; or (iv) have expressed no choice.

The new shares issued within the context of this capital increase will participate in the profits as from 1 April 2019.

The Company will submit a request to Euronext Brussels and Euronext Amsterdam for the additional admission to trading of the new shares issued further to the capital increase within the context of the optional interim dividend and intends for the new shares, which will participate in the profits as from financial year 2019-2020, to be traded on Euronext Brussels and Euronext Amsterdam as from the date of issue (24 June 2019).

7. JUSTIFICATION OF THE TRANSACTION

The contribution in kind of claims vis-à-vis Retail Estates in the context of the optional interim dividend and the associated capital increase improve the equity of the Company and therefore reduce its (legally capped) debt ratio. This opens up the possibility for Retail Estates to perform, as the case may be, additional debt-financed transactions in the future in order to further realise its growth strategy. The optional interim dividend also makes it possible to retain funds in the Company (in the amount of the net dividend rights contributed to the Company's capital), which in turn reinforces the Company's financial position.

In addition, it strengthens the ties with the shareholders.

The Company intends to invest approx. €100 million in existing retail premises on an annual basis. After making significant investments in Belgium at the end of 2018, the Company is now focusing on investment opportunities in the Netherlands. The Company has identified a diverse range of investment opportunities in the Netherlands at various stages of a normal investment process. These opportunities can give rise to an investment of approx. €100 million through one or several transactions. The initial

yields of these investment opportunities enable the company to ensure a profitability comparable to the recent Belgian investments of the Company. As the Company is currently unable to indicate how the investment opportunities will be financed if the decision is made to go through with them, the Company cannot shed any light on the possible impact of these potential investments on the EPRA result per share for financial year 2019/2020. In addition, the Company cannot provide more precise information about the aforementioned investment opportunities at the moment in view of the current state of affairs and in particular because these opportunities are currently not yet irrevocable and unconditional. The Company is continuously screening the market for existing retail premises offered as investment opportunities by real estate promoters or investors. These investments represent the majority of the property investment activities carried out by the Company over the past 19 years.

8. SUSPENSIVE CONDITIONS

The Board reserves the (purely discretionary) right to withdraw the offers if, between 29 May 2019 (the date of the decision by the Board) and 20 June 2019, the share price of Retail Estates significantly rises or falls on Euronext Brussels and Euronext Amsterdam relative to the issue price of the new shares as set by the Board.

The Board also reserves the (purely discretionary) right to withdraw the offer if, between 29 May 2019 and 20 June 2019, an extraordinary event of a political, military, economic or social nature (including a terrorist attack) occurs such that the economy and/or the securities markets are significantly affected.

Any withdrawal of the offer will be immediately communicated to the public by means of a press release. The exercise or non-exercise of this right may never give rise to any liability on the part of Retail Estates.

9. FINANCIAL SERVICE

Shareholders who wish to contribute their net dividend rights (in whole or in part) to the capital of the Company in exchange for new shares must contact the following during the option period:

- the Company, as far as the registered shares are concerned (the registered shareholders will receive a letter with instructions from Retail Estates in this regard); and
- the financial institution where they hold their shares through a securities account, as far as the dematerialised shares are concerned.

This service is free of charge for the shareholder.

The principal paying agent of Retail Estates is KBC Bank NV.

10. COSTS

All legal and administrative costs relating to the capital increase will be borne by the Company.

Certain costs, such as for changing the form of shares, will remain payable by the shareholder. Shareholders are advised to consult their financial institution in this regard.

11. TAX CONSEQUENCES

The paragraphs below provide an overview of the Belgian fiscal treatment relating to the optional interim dividend and are included for information purposes only. This overview is based on the Belgian tax legislation and administrative interpretations applicable at the date of this Memorandum of Information and is provided subject to changes in applicable tax law, including changes with retroactive effect (prior to the date of this Memorandum of Information).

This summary does not take into account, and does not cover, tax laws in other countries and does not take into account the specific circumstances of individual investors. The information contained in this Memorandum of Information must therefore not be considered investment, legal or tax advice. Shareholders are advised to consult their own tax advisor regarding the tax implications in Belgium and other countries within the framework of their specific situation.

Withholding tax

The option for shareholders (i.e. the payment of the interim dividend in cash, the contribution of their net dividend rights in exchange for the issuance of new shares, or a combination of both) has no impact on the calculation of withholding tax. In other words, 30% withholding tax will be deducted from the gross interim dividend of € 4.25 (unless an exemption or reduction of withholding tax applies).

For private investors residing in Belgium, the withholding tax constitutes the final tax on dividend income in Belgium. The dividend income does not have to be declared in the personal income tax return. However, if a private investor decides to include the dividend income in their personal income tax return, they will have to pay taxes on this income at the individual rate (30%) or at the progressive personal income tax rate, whichever is the lowest, taking into account other income declared by the tax payer. It is in principle only interesting to declare this income if the combination with other income of the tax payer results in a tax rate lower than 30%. Private investors furthermore qualify for tax exemption for dividends paid or allocated via the personal income tax return as from 1 January 2018 up to the first € 800 (cf article 21, first section, 14° of the Belgian Income Tax Code). If the dividend income is actually declared, (i) the income tax due will not be increased with the additional municipal tax, and (ii) the withholding tax can be set off against the eventual personal income tax due and any surplus amounts can be refunded.

For professional investors residing in Belgium, the withholding tax does not constitute the final tax in Belgium. The dividend income needs to be declared in the personal income tax return, and you will have to pay taxes on this income at the normal progressive personal income tax rate increased with the additional municipal tax. Subject to certain conditions, the withholding tax can be set off against the personal income tax due and any surplus amounts can be refunded.

For shareholders subject to the legal entities income tax, the withholding tax in principle constitutes the final tax due.

Belgian companies subject to corporate income tax are required to include the dividends in their corporate income tax return and are in principle taxed on the gross dividends received (withholding tax included) at the applicable corporate income tax rate. The corporate income tax rate amounts to 29.58%

(including a complementary crisis contribution of 2%). As from 2020, the corporate income tax rate will amount to 25% and the complementary crisis contribution will be abolished.

The dividends paid by the Company in principle do not qualify for the so-called dividends received deduction (DRD) because the Company is a public BE-REIT, which means that the Company benefits from a special tax regime and consequently does not meet the so-called taxation condition (article 203, §1, 2°bis of the Income Tax Code).

The dividends do nevertheless qualify for the DRD to the extent that the dividends paid by the Company originate from income from real estate (i) situated in another member state of the European Union or in a state with which Belgium has concluded a double taxation treaty on condition that such treaty or any other agreement provides for an exchange of information necessary for the application of the legal provisions of the contracting states; and (ii) that has been subject to corporate income tax, non-resident income tax or any foreign tax that is similar to one of these taxes and does not benefit from a special tax regime that deviates from ordinary law (article 203, §1, 2°bis of the Income Tax Code). Furthermore, the dividends are also eligible for DRD insofar as and to the extent that these dividends are derived from dividends which themselves meet the taxability conditions mentioned in article 203, §1, first section, 1° to 4° of the Income Tax Code or from capital gains realised on shares that qualify for exemption in accordance with article 192, §1 of the Income Tax Code and provided that the articles of association of the Company provide for an annual redistribution of at least 80% of the income received after deduction of remunerations, commissions and costs (article 203, §2, second section of the Income Tax Code). Pursuant to article 203, §5 of the Income Tax Code, this 80% threshold is deemed to be met if the BE-REIT has distributed its net proceeds in accordance with Article 13, §1 of the Royal Decree of 13 July 2014 with regard to regulated real estate companies.

For the application of the dividends received deduction as set out above, the so-called quantitative conditions set forth in article 202, §2, first section of the Income Tax Code do not apply (cf Article 202, §2, third section, 3° of the Income Tax Code).

Provided that all legal conditions are met, a company-shareholder resident in Belgium can set off any withholding tax deducted from the dividends received against any corporate income tax due, and any surplus can be refunded.

Belgian companies that, upon payment or allocation of the dividends, hold a minimum participation of at least 10% of the Company's share capital may, under certain conditions and provided that certain formalities are met, benefit from an exemption from Belgian withholding tax.

Dividends paid by the BE-REIT to a non-resident shareholder give in principle rise to the collection of withholding tax at a rate of 30%. Pursuant to article 106, §7 of the Royal Decree implementing the Income Tax Code of 1992 (the "**RD/ICT**"), part of the dividends paid out by a BE-REIT to a non-resident saver may be exempt from withholding tax provided that certain conditions are met. This exemption does not apply to the part of the distributed dividends which originates from Belgian real estate and from dividends obtained by the Company itself from a Belgian resident company, unless the latter is itself a regulated real estate company (or another company referred to in the first section of article 106, §7

RD/ICT) and the dividends it distributes to the Company do not originate from dividends received from a Belgian resident company or from income of Belgian real estate.

Organisations for financing pensions ("**OFPs**"), i.e. Belgian pension funds incorporated under the legal form of an organisation for financing pensions within the meaning of Article 8 of the Belgian Act of 27 October 2006 on the supervision of institutions for occupational retirement provisions, are in principle not taxed on dividend income because of the limited tax base on which these OFPs are taxable (Article 185bis of the Income Tax Code). Except for certain limitations, the Belgian withholding tax can be set off against the corporate income tax due and can be refunded to the extent that it exceeds the corporate income tax due. Foreign OFPs may, under certain conditions, benefit from an exemption from withholding tax (cf Article 106,§2 RD/ITC).

For shareholders who benefit from an exemption or reduction of withholding tax pursuant to Belgian law or an (applicable) treaty for the avoidance of double taxation, the standard withholding tax of 30%, which is in principle withheld from the distributed gross dividend, is not (in case of exemption) or not entirely (in case of reduced withholding tax) withheld provided that the necessary supporting documents are submitted.

Shareholders who are exempt from withholding tax or who benefit from a reduction of withholding tax will receive this tax advantage in cash as from 24 June 2019. Shareholders who are in such a position must make sure that the required certificates have arrived at Retail Estates before the end of the option period (i.e. 20 June 2019 at 3pm CET). Shareholders who benefit from an exemption or reduced withholding tax will therefore receive a surplus in cash (see above, II.6 "Capital increase and interim dividend payment").

12. REAL ESTATE VALUATION

Pursuant to article 48 of the REITs Act, the actual value of the assets of the Company (and its perimeter companies) as determined in article 47, §1 of the REITs Act needs to be determined by the valuation expert(s) when e.g. the Company issues shares or submits an application to admit shares to trading on a regulated market. A new valuation is nevertheless not required when shares are issued or admitted to trading on a regulated market within 4 months after the latest valuation or valuation update with regard to the relevant real estate and insofar the expert confirms that a new valuation is not required based on the general economic situation and the condition of this asset.

The most recent valuation (update) with regard to the actual value of these assets of the Company and its perimeter companies took place on 31 March 2019 and was carried out in part by Cushman & Wakefield Belgium, in part by Cushman & Wakefield Netherlands, in part by Stadim, in part by CBRE Belgium and in part by CBRE Netherlands, which means that the Company is in the possession of a valuation (update) that is at most 4 months old at the time of the date of issue of the new shares, which is 24 June 2019.

On 17 May 2019, the Company received confirmation from the same independent real estate experts, namely Cushman & Wakefield Belgium, Cushman & Wakefield Netherlands, CBRE Belgium, CBRE Netherlands, Colliers Netherlands and Stadim, that it is not required to perform a new valuation within

the scope of the application for admission of the new shares to trading on a regulated market based on the general economic situation and the condition of this asset.

The aforementioned real estate experts of the Company will be requested to confirm that the underlying assumptions of the valuation have not changed prior to the issue of the new shares on or around 24 June 2019.

13. INFORMATION MADE AVAILABLE

As a general rule, a prospectus must be published under the Act of 16 June 2006 regarding public offerings of investment instruments and the admission of investment instruments to trading on a regulated market (the “**Prospectus Act**”) when a public offering of shares takes place on Belgian territory and when these shares are admitted to trading on a Belgian regulated market. However, given the publication of this Memorandum of Information, no prospectus must be published in the context of the optional dividend pursuant to article 18, §1, (e) and §2, (e) of the Prospectus Act.

Subject to certain customary restrictions, this information of memorandum is available on the website of Retail Estates (www.retailstates.com).

The special report of the Board of 29 May 2019 concerning the contribution in kind, drawn up in accordance with article 602 of the Belgian Companies Code, as well as the special report of the statutory auditor on the contribution in kind, drawn up in accordance with article 602 of the Belgian Companies Code, can also be found on the Retail Estates website (www.retailstates.com).

14. CONTACT

For more information regarding the transaction, shareholders with dematerialised shares can contact the financial institution that keeps the shares.

Holders of registered shares can contact the Company for more information by calling us at +32 (0)2 568 10 20 or by emailing us at investorrelations@retailstates.com.

III. ANNEX: EXAMPLE

An example of the distribution of an optional interim dividend by Retail Estates can be found below. Please note that a possible exemption from or reduction of withholding tax is not taken into consideration.

The example assumes a shareholder who owns 101 No. 27 coupons linked to shares of the same form (e.g. 101 dematerialised shares).

The issue price amounts to €68.425. It is possible to subscribe to any new share to be issued by means of a contribution of net dividend rights linked to 23 existing shares of the same form (represented by coupon No. 27).

This means that the shareholder will receive one new share per contribution of net dividend rights, represented by No. 27 coupons, linked to 23 shares.

The shareholder can exchange the net dividend rights linked to 101 shares, represented by coupon No. 27, for:

- **Cash:** € 300.47 (rounded off);

OR

- **Shares:**
 - 4 new shares (in exchange for 92 No. 27 coupons); and
 - an outstanding balance of € 26.77 (rounded off) in cash (in exchange for the other 9 No. 27 coupons, which do not suffice to subscribe to an additional share);

OR

- **Combination:**
 - (example) 2 new shares (in exchange for 46 No. 27 coupons); and
 - € 163.62 (rounded off) in cash (in exchange for the remaining 55 No. 27 coupons).